



California Industrial Development Financing Advisory Commission

CIDFAC

Joanie Jones Kelly, Executive Director



- **The California Industrial Development Financing Advisory Commission (CIDFAC)** provides low cost, low interest, long term financing for capital expenditures for manufacturing and processing companies.
- **Eligible Capital Expenditures** include the acquisition of land, building construction, building renovation, and the purchase of machinery and equipment up to a maximum of \$10 million.
- **Allows Qualified Manufacturers and Processors** to borrow at low tax-exempt rates normally reserved for municipalities and public agencies.



- CIDFAC is a state agency within the California State Treasurer's Office. CIDFAC is unique in that CIDFAC approves the issuance of IDBs as a partner with local governments.
- The Local Government can be a city, county, economic development authority, redevelopment agency, or a joint power authority such as, California Statewide Community Development Authority (CSCDA) or the Association of Bay Area Governments (ABAG).



- **The Local Government Entity is the Issuer** of the IDBs and CIDFAC is the approval agency. Both agencies are required participants by California State Statute in the IDB issuance process. The government entity does not guarantee repayment of the IDBs. Repayment is the obligation of the IDB borrower.
- **CIDFAC provides** technical assistance to local agencies and independently reviews IDB applications for compliance with federal and state statutes and public benefit provisions such as job creation and job retention.
- **CIDFAC is not the only state agency that issues IDBs.** The California Infrastructure and Economic Development Bank (CIEDB) can issue IDBs in those locations where the local government does not wish to participate in the issuance process.



CIDFAC administers IDB Programs to facilitate Local Economic Development through out the State.

- IDBs encourage manufacturing business to locate in your community.
- Manufacturing business increase employment opportunities by creating new jobs.
- Manufacturing businesses provide quality wages that increase local tax revenue.



Successful Case Studies

CIDFAC



AAA PACKING AND SHIPPING, INC. provides custom, packing, shipping, warehousing and delivery services for various furniture manufacturers, hotels, and interior design firms.

- Located within the federally designated **Los Angeles Empowerment Zone** and the state designated Enterprise Zone. The project qualifies for tax exempt IDB bond financing as a result of its location within the Federal Empowerment Zone (EZ).
- Utilized \$2,400,000 in tax exempt IDB's and \$1,000,000 in taxable IDB's in June-2000. The bonds were used to purchase three acres of land on East Washington Blvd. and to construct an 80,000 square foot warehouse distribution facility.
- The Company expects to add 60 new jobs. The company will coordinate the hiring with the city of Los Angeles welfare-to-work-program for the company's specific operational needs. Work-Experience-on-the-job-Training funds can be used to pay all or part of the welfare-to-work participant's salaries during the employment-training period



APPAREL PRODUCTION SERVICES, INC. manufactures a variety of active sportswear including: blouses, shirts, shorts, skirts, pants and dresses. Cloth patterns are processed and assembled into order batches and shipped to production facilities in Mexico where the garments are finished and shipped directly to customers.

- Located in the **City of Los Angeles** in a distressed area based on a high unemployment and poverty rate.
- Utilized \$2,150,000 in tax-exempt IDB's and \$600,000 in taxable IDB's in July-2000. The bond funds were used to acquire and renovate 48,000 square foot facility and purchase new equipment. The new equipment will increase efficiency and reduce waste, by limiting scrap fabric that would otherwise be disposed of in local landfills. The company works with local charities like Goodwill and the Salvation Army to make unused cloth and sample garments available to needy individuals. Further, unused rolls of cloth are donated to college programs that specialize in designing and producing garments.
- The Company expects to add 58 new jobs. The employment recruitment was coordinated with the City of Los Angeles welfare-to-work-program. The city set-up customized training designed for the company and provided work-experience and on-the-job-training-funds to pay all or part of the participant's salaries during the training.



FISHERMAN'S PRIDE PROCESSORS (Equipment Only Purchase Program-EOPP) processes seafood products for the food and restaurant industry. The company activities include cleaning, scaling, filleting, and distribution of fish and seafood products.

- Located in the City of Vernon an industrial area of Los Angeles County. The financing was used to purchase equipment to increase the company's product quality and efficiency.
- Utilized \$1,500,000 in tax-exempt IDB's in December-1999. This project was issued as an EOPP therefore no letter of credit was required. The bonds were issued as a private placement to Qualified Institutional Investors.
- The Company expects to add 45 new jobs.



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